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SUMMARY OF CONTENTS

The Soviet World ----- Page 1

Egyptians Threatening Abrogation of Anglo-Egyptian Treaty -----Page 4

The uneasy stalemate in the Anglo-Egyptian defense discussions, expected until a few days ago to be broken by Egyptian denunciation of the 1936 Anglo-Egyptian Treaty, has been granted an extension. Although the British now have additional time in which to put forward proposals, such as the one concerning the Middle East Command that they advanced in the course of NATO negotiations, there is no sign of any change in the Egyptian attitude.

Hints of Peace Negotiations in French Indochina Alarm Vietnamese - Page 6

Several French and Communist statements hinting at the possibility of peace negotiations in Indochina have caused concern among non-Communist Vietnamese, who fear abandonment to reprisals by the Viet Minh. Such an attitude undermines Vietnamese support of the newly-proclaimed "all-out" mobilization effort against the Communist enemies.

Recent Communist Pronouncements Belie Chinese-Soviet Split----- Page 8

Recent Chinese Communist pronouncements afford no basis for widespread current speculation that Sino-Soviet relations are deteriorating. Although these pronouncements make clear that Stalin and Mao Tse-tung followed divergent paths from 1921 to about 1935, they also show that the early divergence has been repaired. Available evidence indicates strongly that the Sino-Soviet alliance is still flourishing.

Prospects for European Defense Force Now Brighter ----- Page 10

The three major Western powers are now close to accepting the European Army concept as the only practical solution to the problem of immediate German rearmament. The British are becoming more favorably disposed to the idea, and the French are more than ever determined to push it because of their fear of renascent German nationalism.

Agitation Increases Over Trieste Question ----- Page 12

With Italian irredentism increasingly vocal regarding the Free Territory of Trieste, the US is attempting to arrange a compromise settlement between Italy and Yugoslavia in connection with a general revision of the Italian peace treaty. The hardened attitudes of the two countries on the Trieste issue reduce prospects for a compromise at this time.

SPECIAL ARTICLE: The Threat of War between India and Pakistan ----Page 15

(This article was published as an Intelligence Memorandum on 14 August 1951.)

The Soviet World*

The sudden Russian decision to attend the San Francisco conference on the Japanese peace treaty, which Moscow has attacked so fiercely, presents the West with another of the "zig-zags" which have long marked Soviet foreign policy.

Moscow's propaganda unquestionably will use Soviet attendance at the conference as another element in the "peace" campaign, which reached a new pitch with Malik's cease-fire speech and in which each subsequent Soviet move has been played up as proof of cooperativeness and good will.

Under normal diplomatic rules, acceptance of the invitation, which pro forma went to the USSR along with other nations at war with Japan, would signify approval of the Anglo-American treaty draft as a basis for discussion. Past experience would indicate, however, that the Kremlin will hardly feel inhibited by diplomatic tradition; moreover, the strength of the Soviet delegation, which is headed by Andrei Gromyko and includes Ambassadors Zarubin and Panyushkin, makes it clear that it will have a definite purpose in mind.

Basically, the Soviet Union would like to torpedo the treaty, which its propaganda, with the usual shrill background chorus from the Satellites, has attacked as illegal and as an imperialistic maneuver to rearm Japan against Red China and the Soviet Union. So violent is Soviet hostility to the treaty that it has produced a series of reports, wholly unconfirmed, that the treaty's signature would cause the Kremlin to launch a third world war.

The Russian delegation presumably cannot block signature of the treaty, which had already progressed too far in the months of consultation. The United States intends that there shall be no reservations or textual changes at San Francisco, but simply an exchange of views. Russia can, however, exploit the conference for its own propaganda purposes, and by using the familiar stalling tactics, try gradually to split apart the nations which have been asked to sign. Certain Asian countries, fearful of offending Communist China, have been hesitant about attending, and are still doubtful about signing. Russia, it seems clear, will promptly inject the issue of Peiping's participation, calculated to crystallize Asiatic fears. It undoubtedly will attack the lack of rearmament restrictions, in an effort to arouse the Philippines, Australia and New Zealand, and the reparations provisions, which have been criticized by several other prospective signatories.

This article is the first of a series which will appear as a regular feature in the Current Intelligence Review. Its purpose is to round up, with pertinent background and interpretive material, the major developments in the Soviet and Soviet-dominated areas.

If the USSR could make the conference look like an "imperialist" attempt to dictate terms which were unpalatable to the majority, its purpose would have been at least partly served.

Meanwhile, the USSR used the Truman-Shvernik exchange to give impetus to its "peace" campaign, but its motives in giving internal circulation to the Truman message and the Congressional resolution appear to have been defensive. Wide coverage in Voice of America broadcasts had already brought these expressions of US friendship to the attention of the Russian people.

Russian propaganda during the week also provides evidence that the breaking of Western economic controls was a primary objective of the "peace" campaign. It strongly underlined the theme of freer East-West trade which, aside from the economic benefits to Western nations, would advance the cause of peace by relaxing world tensions. Whatever action the Kremlin may be contemplating in San Francisco, there are indications that trade, particularly with Communist China, will be the carrot dangled before the Japanese to tempt them into a neutral position.

Some evidence of the growing effectiveness of Western export controls is available in Polish efforts to use coal as a bargaining weapon in order to obtain non-Orbit strategic materials. Poland is reluctant to deliver coal and coke to Finland because of the latter's refusal to import aluminum and cobalt for resale to Poland. A trade agreement with Austria is to remain in effect only so long as Austria continues substantial deliveries of ball bearings, which are on the Western embargo list. Polish-Norwegian trade negotiations broke down recently because Poland demanded strategic goods for its coal. The Polish position in all negotiations of this sort is strengthened by the generally increased demand for coal in Western Europe as its rearmament is accelerated.

Inside Russia, the usual claims of important production gains marked the report on the second quarter of the 1951 State Plan. Announcement of the plan's results failed to clarify, however, whether the reported 16 percent gain in gross output resulted from rising military or civilian production. The Soviet Union is still silent on the new Five Year Plan; presumably it will follow the first postwar plan, which ended on 16 April.

Developments in both the USSR and its Satellites testified to their continued concern with internal and external security. Preoccupation with internal unrest was manifest in the trial and sentencing of nine high-ranking Polish ex-Army officers for national deviation and espionage. Poland's leading deviationists, ex-Communist Party Secretary Gomulka and ex-Vice Minister of National Defense Spychalski, have been implicated in the trial, and the US Embassy in Warsaw speculates on the possibility that its repercussions will include a widespread purge of the Polish

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Egyptians Threatening Abrogation of Anglo-Egyptian Treaty

The uneasy stalemate in the Anglo-Egyptian defense discussions, which until a few days ago were expected to be broken by Egypt's denunciation of the 1936 Treaty, has been granted an extension.

Foreign Minister Salaheddin, who had intimated earlier [redacted] that it would be necessary to abrogate the treaty very shortly, has now indicated to the US Ambassador that he does not plan to do so until perhaps October. Although King Farouk informed the Prime Minister that he does not want the negotiations broken off, the latter has said that Salaheddin's statement expresses the views of the government.

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The British now have additional time in which to put forward new suggestions, but there is no sign of any change in the Egyptian attitude. From Egypt's point of view, ample provocation for denouncing the treaty has existed for some time. The presence of British forces on Egyptian soil is an issue on which public feeling can always be violently aroused, and the political future of any Egyptian Government depends upon a certain amount of obeisance to this shibboleth.

The residual antipathy to Britain has been intensified by recent indignant statements in the House of Commons concerning the Egyptian attitude toward the UK and by the possibility of a UN Security Council resolution requesting the lifting of the Egyptian ban on Israel-bound ships transitting the Suez Canal. Although the Egyptians have mentioned numerous possible quid pro quo's for lifting the restrictions, there are no indications that they are willing to use the evacuation of British troops as a bargaining point. There is little hope that the efforts to get Egypt to lift the restrictions voluntarily will succeed, and the Foreign Minister has said that Egypt will not comply with any resolution requesting their removal.

The right to use bases in Egypt is the cardinal point of British defense planning for the Near East. Since 1946 the UK has been attempting to find a formula, including the withdrawal of British troops, that would satisfy Egyptian aspirations and still provide for joint Anglo-Egyptian control of the bases and the right to return armed forces to the bases before actual hostilities break out. High-ranking British military commanders believe that, although it would be possible to locate their main striking forces elsewhere, there is no substitute for retaining the Suez area as a headquarters base. In addition, the British do not feel that the Egyptians are capable of maintaining the bases up to the necessary standards. The Egyptians, on the other hand, regard the concept of joint defense as an infringement of their sovereignty, although they admit the need for Western support in the event of a global war.

With the discussions on the admission of Greece and Turkey into NATO and the command structure for the Mediterranean, the Anglo-Egyptian impasse

becomes of more direct concern to the US, even though the UK continues to assume primary responsibility for the defense of the Middle East. The proposal to associate Egypt with the US, the UK, France, Turkey, and possibly other states, in a joint Middle East command, recently put forward by the British, might in part assuage the Egyptian feeling of outraged sovereignty. Under such a plan it would not be British forces alone that were participating in the defense of Egyptian bases. However, as long as the Egyptians continue to feel that they are capable of maintaining the installations in the Suez Canal area by themselves, they will be reluctant to join even a multilateral arrangement of this kind.

Hints of Peace Negotiations in French Indochina Alarm Vietnamese

Since the beginning of the truce talks in Korea, several statements by both French and Communist sources have hinted at the possibility of peace negotiations in Indochina. Although these hints have not been followed by positive action, they have caused concern among non-Communist Vietnamese, who fear abandonment to reprisals by the Viet Minh. Such an attitude undermines Vietnamese support of the newly-proclaimed "all-out" mobilization effort against the Communist enemies.

The first Communist reference to negotiation, during this period, was an editorial in the fellow-travelling Paris newspaper Liberation on 2 July. The headline of this editorial -- "Why Not a Cease-Fire in Vietnam: Why Not Open Peace Negotiations with Ho Chi Minh" -- was broadcast by the Viet Minh radio on 12 July without comment. On 20 July, French Communist Joliot-Curie, who had just visited Moscow, stated before the Soviet-sponsored World Peace conference at Helsinki that in view of the Korean negotiations, "it is important that negotiations to end the war in Vietnam be started."

Shortly afterward, the Soviet Ambassador to France reportedly told the Paris correspondent of a Dutch periodical: "We believe that if negotiations (in Indochina) were undertaken on definite points there would be a good chance for them to result in a solution acceptable to both parties."

While these statements would appear to be of a conciliatory nature, the general tone of Soviet, Chinese Communist and Viet Minh propaganda continues to be aggressive and uncompromising.

The first French allusion to negotiations appeared in a briefing by General de Lattre's headquarters. It was stated that the Viet Minh had sustained very heavy losses in its May-June offensive and that among the alternatives faced by the Viet Minh was that of a "cease-fire." A somewhat clearer reference to negotiation was made by Letourneau, French Minister of Associated States, according to a Paris correspondent. However, Letourneau's reported statement that the coming solution in Korea might serve as the basis for a solution of the problem of civil war in Vietnam was later denied by him.

Whatever Letourneau actually said on this occasion, the Vietnamese have not forgotten that, in a 17 January 1951 radio reference to the desirability of elections in Vietnam, Letourneau did state that contacts between the "two camps" in Vietnam have "fortunately" never been completely broken and that a response from the "other side might have favored a more rapid solution."

Other reports and indications from time to time tend to bear out the implication that the French are reluctant to repudiate completely the prospect of a compromise with Ho Chi Minh. Several factors -- the high cost of the war, the French Government's preoccupation with the defense of Europe,

the inclination of influential private French interests in Indochina to end the ruinous warfare -- have indicated that the French Government would welcome an opportunity to withdraw gracefully from the impasse. On the other hand, the French Government is not known to have taken any concrete steps since 1947 toward a compromise.

Aside from the question of whether a serious intent to negotiate exists, an important by-product of the cease-fire hints is the consternation they have aroused among the Vietnamese who have committed themselves to a policy of cooperation with the French. Almost all of these Vietnamese fear that the French will contrive some face-saving formula for withdrawing from Indochina, leaving the Bao Dai government at the mercy of the Viet Minh. Recollection of the flexibility displayed by Vichy French officials toward Japanese aggression in 1940, and of France's 1946 negotiations with Ho Chi Minh at the expense of Non-Communist Nationalists, aggravates these fears.

Recent Communist Pronouncements Belie Chinese-Soviet Split

Recent Chinese Communist publications provide excellent evidence that Peiping demands and is accorded a position in the Soviet bloc superior to that of the Eastern European Satellites, but afford no basis for the current widespread speculation that Sino-Soviet relations are deteriorating.

While these publications make clear that Mao Tse-tung and the Kremlin were pursuing different and frequently antagonistic lines in China through most or all of the period from 1921 to 1935, they also show that the early divergence has been repaired in the course of the past 15 years. Not only is the Sino-Soviet alliance still flourishing, but Moscow feels sufficiently secure to recommend Mao Tse-tung's program to "liberation" movements throughout Asia.

Evidence of "serious trouble" between Moscow and Peiping has been adduced from such ambiguous developments as the omission from Chinese Army Day slogans of references to the USSR or Stalin and the absence of a special Peiping delegation from the recent Warsaw "liberation" ceremonies. Certain observers have found particularly significant some seven Chinese Communist theoretical works issued on the 30th anniversary of the Party's founding on, 1 July, and an editorial in the Cominform journal commenting on extracts from four of the seven works which appeared in that journal. None of this alleged evidence supports the thesis of current ill-feeling between Moscow and Peiping. In fact, the articles most widely cited are among the strongest indications of continuing Sino-Soviet amity.

The articles in question expound the theme that Mao Tse-tung's great contribution to the theory and practice of international Communism has been the adaptation of Marxism-Leninism to a backward Asian nation. In the course of this argument, the Chinese writers explicitly denounce the policies of the pre-Mao party leaders (1921-1935) who had faithfully followed the Kremlin in the years when Mao was pursuing an independent line. This line -- the imposition of a Marxist-Leninist party on a peasant rather than proletarian base -- was adopted by the Chinese Communist leadership, and sanctioned by Moscow, only in the 1930's. There is strong evidence that Moscow's acceptance of both the Mao program and the Mao leadership was an act of acquiescence in an accomplished fact.

The denunciation of Moscow's earlier servants makes it difficult for the Chinese theoreticians to maintain, as they do in these articles, that both Mao and Stalin have always been right. In defending features of Mao's program as examples of his ability to apply Marxism-Leninism to local conditions with maximum profit, and in asserting that Mao's innovations were in every case authorized by earlier pronouncements of Marx, Lenin and Stalin, the Chinese writers have been obliged to misrepresent both developments in China and the positions of the Communist

fathers to whom they appeal for blessing. The articles are significant chiefly for their obvious anxiety to identify "Stalinism" with "Maoism," whatever the cost to historical accuracy.

As the seven articles make clear, the most important truths in Sino-Soviet relations are not that the paths of Stalin and Mao were once divergent and that the Chinese Communist movement developed along certain lines which had to be sanctioned after the fact, but that the lines of Stalin and Mao have long been and still are convergent and that the Chinese Communists continually seek and obtain Soviet sanction for their program.

Current speculation regarding a Sino-Soviet split -- particularly speculation originating in Belgrade -- appears to be based on the assumption that there is an intricate, precise and rigid body of doctrine known as Marxism-Leninism to which a point-for-point correspondence is demanded on the part of all Communist movements. The fact is, however, that in practice Marxism-Leninism has been reduced to a single simple principle: Stalin has always been, is now, and will always be, perfectly right. In recent years the Kremlin has broken with certain of its lieutenants, like Tito and Gomulka, not for offenses against doctrine but for resistance to Stalin and Stalinist domination. In the case of China, Peiping's version of history is corrupted to conceal the fact that Stalin for some years was ludicrously wrong from a Chinese Communist viewpoint.

The Soviet press, throughout 1951, has published extravagant praise of Mao Tse-tung, elevating Mao's prestige in the world Communist movement to a level enjoyed by no other living non-Russian Communist. It is true, as some observers have noted, that the Soviet press is less effusive over Mao than is the Chinese, and that the Cominform journal's editorial suggests a Soviet desire that greater credit be accorded the Soviet contribution to Mao's successes than appears in the reprinted Chinese articles. However, the Chinese press would be expected to adopt a more obsequious tone toward the Chinese leader than would the Soviet, and the Soviet press would be expected to emphasize the Soviet contribution.

On balance, Moscow's recent pronouncements on Mao's excellence as leader and theoretician are an almost conclusive demonstration of Soviet confidence in his present fidelity. Similarly, recent Chinese Communist pronouncements are an equally strong indication that such Soviet confidence is justified. It is of course possible that the extension of Stalinist control over the Chinese Communist State will eventually provoke resistance, but no significant conflict has yet become apparent.

Prospects for European Defense Force Now Brighter

The prospects for an integrated European Defense Force have improved considerably in the past few months. The five countries participating in the Paris Conference on the Pleven proposal for a European Army have settled most of the points at issue, and are optimistic that early agreement will be reached on the rest of the agenda.

What is perhaps more important is the increasingly favorable attitude of the United States and Britain, both of which are now inclined to accept the French proposal as the only practical solution to the problem of immediate German rearmament.

The coolness with which the UK received the original Pleven Plan derived from traditional suspicion of Continental unity compounded with general scepticism about the feasibility of the venture. The British refused to participate actively in the European Army discussions.

The UK is, however, committed to the principle of German participation in Western Defense.

American support for the Pleven Plan has gradually caused the British to view it with less hostility, particularly since there is now no question that it will include them. Their eventual acceptance will probably be conditioned on guarantees of NATO control and assurances from NATO leaders that the plan is practical, but there is now little doubt that they will follow US guidance in this matter. The smaller NATO countries can be expected to follow the UK on this point. This is particularly true of the Netherlands, which may now be encouraged to join the European Army.

The French, who have never deviated from their basic purpose of preventing German military resurgence, have been encouraged by General Eisenhower's recent public endorsement of the Pleven Plan. Many French officials had thought that US military leaders regarded the plan as a French scheme to defer or prevent German rearmament, and consequently of no practical value. The French now believe that renewed US insistence on prompt German participation in Western defense will hasten general acceptance of the European Army concept.

The French determination to accept German rearmament only within the context of an integrated European Army is reinforced by recent indications of a revival of German militarism, as illustrated by General Ramcke's appeal for unfettered German rearmament. The French tend to magnify the importance of Nazi recrudescence and the influence of former Wehrmacht officers over Adenauer's military advisors. French officials are therefore more than ever convinced that an autonomous German army within the framework of the Atlantic forces would constitute a grave

danger which could be averted only by integrating the German contingent into a Continental force.

The aims of the Bonn government itself are clear. Adenauer is a firm proponent of European integration and of a Franco-German entente. He has stressed publicly the necessity of a German military contribution to Western defense, and he accepts the European Army framework as a step toward the larger goal of political and economic integration. Moreover, as far as the German people are concerned, their current opposition to rearmament would probably be more readily overcome if the European Defense Forces became a reality. The Germans, however, are seeking consistently to drive hard bargains with the Allies on this and other critical issues, and can be expected to exact a high price on their ultimate concurrence in general agreement on a European Army. The Paris Conference has been characterized by a realistic approach to the problem; the remaining issues are largely technical, particularly the questions of staff relationships and of the maximum permissible size of national units.

In view of these practical accomplishments, the prospects for early agreement are relatively bright. The decision on the Plevin Plan will probably be made at the NATO Council meeting at Rome in October. The opportunity to obtain a German contribution to Western defense soon will undoubtedly spur the Western occupying powers to clear the way by hastening the conclusion of contractual agreements with the Federal Republic.

Agitation Increases over Trieste Question (Map Attached)

Increasing rapprochement between the US and Yugoslavia, and the imminence of the municipal elections scheduled for early October in Zone A of the Free Territory of Trieste are precipitating a resurgence of Italian irredentism. This agitation is in turn reflected in increased Yugoslav concern over the Italian attitude.

The United States has suggested that the time is now ripe for a bilateral settlement of the Trieste issue, in connection with a possible general revision of the Italian Peace Treaty, under which the Free Territory was established. The UK concedes that "the climate for successful Italo-Yugoslav negotiations" is now "more propitious", but does not indicate how imminent it feels such a settlement could be.

Both Italy and Yugoslavia have recently indicated that they desire a Trieste settlement. Italy desires this because of its fear of lessened Western support for Italian claims to all of Trieste. Italian insistence on the return of all of the Free Territory is partly directed at the Italian public, large segments of which are currently inflamed over the Trieste issue. The Italian Government will find the championing of Trieste a highly useful issue in the coming municipal elections in both Trieste and southern Italy where the Christian Democratic Government fears a loss of prestige.

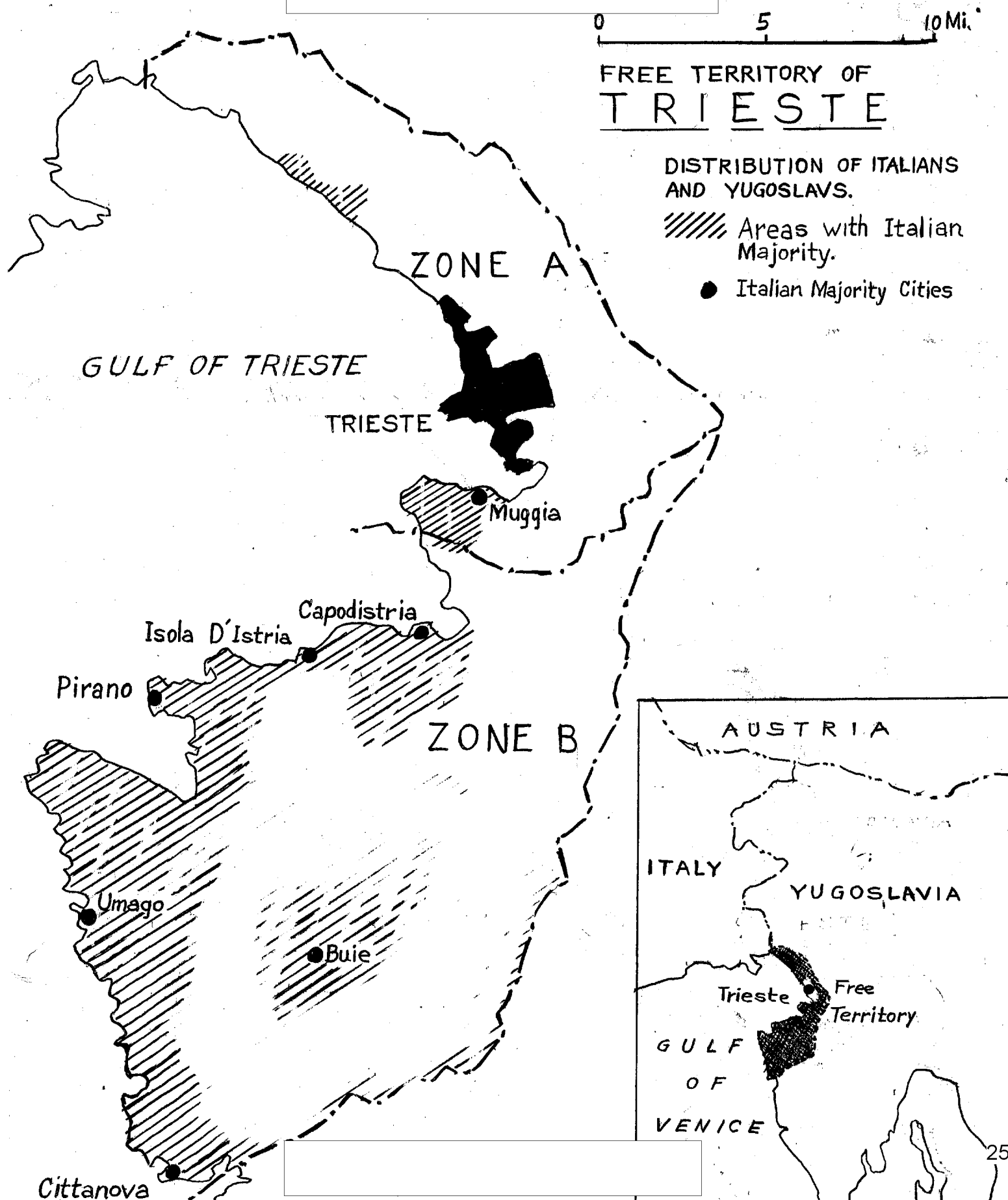
Tito has indicated to US Ambassador Allen that the Yugoslav Government is anxious to settle the Trieste problem because it remains the outstanding one in Yugoslav relations with the West. Tito has expressed the opinion that its settlement would materially strengthen the common front against Cominform aggression. Tito offered three alternative solutions for a Trieste settlement: (a) the maintenance of the status quo (interpreted by Allen to mean the division of Trieste along present zonal boundaries rather than a continuation of the present military regime), (b) the establishment of a Zone B autonomous regime with provisions for minority rights, or (c) a territorial exchange by which Yugoslavia would relinquish the coastal region of Capodistria in exchange for "some Slovene villages in Zone A."

Under any compromise, the Italians would insist on obtaining all the Italian coastal towns in the Yugoslav Zone B, but would probably be willing to make economic or other concessions to Yugoslavia. A settlement on ethnic lines would give the Italians these coastal cities and most of Zone A, including the city of Trieste. The city's 280,000 Italians far exceed the population of the hinterland of Zone A, which has only 30,000 Yugoslavs. Italy is reportedly anxious to regain the

inland city of Buie in Zone B, which is populated almost entirely by Italians. Tito's statements indicate that Yugoslavia would be unwilling to relinquish control of these cities.

Both countries presumably would be reluctant to see the removal of the 10,000 US and British troops from Trieste. It has been suggested, therefore, in conversations between US representatives and the French Ambassador in Rome, that an agreement on Trieste similar to that arrived at in connection with the US base at Leghorn might be reached within the framework of the Atlantic Pact.

The possibility of a compromise between Italy and Yugoslavia on the Trieste issue is improbable for the time being, in view of the hardened attitudes on the issue in both countries. Although the spokesmen of both Italy and Yugoslavia speak of the necessity for a settlement, the inadequacy of their compromise proposals suggest that both governments see little need for any major concessions at the moment.



SPECIAL ARTICLE: The Threat of War between India and Pakistan

Recent developments in the four-year-old Kashmir dispute have focused attention on the possibility of war between India and Pakistan in the near future. It now appears that war may break out within the next few months and that it may be intentionally provoked by India rather than by Pakistan.

The potentially explosive situation first developed shortly after the partition of India on 15 August 1947, with a revolt in Kashmir which led to a period of open warfare between India and Pakistan from October 1947 to January 1949 for possession of the State. Since that time, animosity has centered around the Kashmir question and especially around methods for demilitarizing the State preparatory to a plebiscite which would determine the future of its inhabitants.

Unlike Pakistan, India has been unwilling to accept suggestions of the United Nations Security Council for settlement of this dispute. It has based its intransigent attitude on the claim that Pakistan is the aggressor in Kashmir and therefore has no right to equal treatment with India.

During prolonged negotiations under Security Council auspices, both India and Pakistan have consolidated their positions in the parts of Kashmir held by them. India, particularly, has integrated the government and armed forces of Indian-held territory into its own systems and has shown a determination never to relinquish control.

In a recent bid to settle the Kashmir problem unilaterally, India on 1 May 1951 permitted the nominal ruler of the State to call for the convening of a Constituent Assembly early in October. It is generally assumed that one of the first duties of the Assembly will be to declare the allegiance of Kashmir to India. India will thus be able to present the United Nations with a fait accompli, on the argument that the people of Kashmir have expressed their will and that there is no further need for UN consideration of the case.

Pakistan, fearing this eventuality, has protested to the Security Council about the prospective Kashmiri Assembly action, and there has been some speculation as to the possibility that Pakistan would try to prevent it if the Security Council did not. To date, the Security Council has taken no action on the Pakistani protest.

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Unless there is a considerable, unforeseen rise in popular excitement over Kashmir, the well entrenched Pakistani Government can probably resist any pressure to take action before the Kashmir assembly elections. Since the government cannot win permanent possession of Kashmir by invasion, and since it might accomplish only its own destruction by doing so, it is unlikely to initiate armed warfare in the near future.

On the other hand, the Indian Congress Party high command, which now controls the Indian Government, appears to have embarked upon a campaign designed to achieve the final political, if not military, defeat of Pakistan on the question of Kashmir.

The development which may vitally affect the course of this campaign is a recent shift in the balance of internal Congress Party power from the liberal faction of Prime Minister Nehru to the rightist faction of party president Tandon. This began in September 1950.

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TOP SECRET

Since that time, the rightists have steadily gained ground at the expense of Nehru and more liberal party elements. Rightist activities have so alienated certain sections of the party as to bring about their formal resignation. This, in turn, has weakened Nehru's position and removed a considerable portion of his support. Aside from dictating to Nehru on matters of internal policy, the rightists have now begun to challenge him on questions of foreign affairs, heretofore his exclusive prerogative. Furthermore, they have displayed a willingness to accept Nehru's resignation from the party if he should object to dictation.

Having achieved control of the Congress Party, the rightists seem to have turned their attention to a quick and final solution of the Kashmir problem. Their goal is the official establishment of a Kashmir Constituent Assembly and a vote of allegiance to India. Their method is to speed the election of the Assembly, to make it impossible for Pakistan to intervene short of war, to develop a "defensive" propaganda campaign enabling India to justify whatever action is required in carrying out its plans, and to increase political and military pressure upon Pakistan to the point where Pakistan will either have to resort to war or admit defeat. If necessary, the Congress rightists appear ready to make the first military move in Kashmir.

The Indian campaign has various aspects. It has attempted to demonstrate that the election of a Kashmir National Assembly constitutes no threat to an eventual settlement of the Kashmir question. An Indian news release suggests that, even if India were in permanent possession of Kashmir, it could not cut off Pakistan's water supplies derived from the rivers of that State, a point of great concern to Pakistanis. A second aspect of the campaign has been the production of "evidence" of Pakistan's aggressive intentions, which have necessitated the adoption of appropriate "defensive" measures by India.

Another most dangerous development has been a series of goading actions possibly designed to provoke Pakistan into making the first military move. These actions have included large-scale troop movements, placing almost all of India's fighting forces on the borders of West and East Pakistan. A series of raids by Afghan tribesmen along the northwestern and west-central borders of West Pakistan in late July and early August may have been Indian-inspired.

TOP SECRET

The Congress Party rightists have the support of militant, ultra-nationalistic Hindu groups such as the Hindu Mahasabha and the Rashtriya Swayamsevak Sangh. Both of these groups are firmly committed to the principles of a Hindu India, Indian possession of Kashmir, firm dealings with Pakistan, and eventual reunion of Pakistan with India. For the first time since 1950, these groups are now getting their views before the public.

The current Indian agitation is very similar to a campaign waged by India against Pakistan late in 1949. At that time India made a strenuous, deliberate attempt through economic warfare to destroy the Pakistani economic system and force devaluation of the Pakistani rupee. Hindu extremists and the Indian press in West Bengal added a communal touch to the struggle, which, by March 1950, had led India and Pakistan to the verge of war. The outbreak of actual fighting was narrowly averted only by the last-minute personal intervention of Prime Ministers Nehru and Liaquat Ali Khan.

In August 1951, however, the balance of power within the Congress Party and the attitude of its ruling faction appear to be such as to preclude intervention. Nehru, who undoubtedly was in favor of Indian actions to retain control of Kashmir, apparently no longer has the power within his party to hinder the development of a situation which might lead to war. He may even doubt his ability to stop such a war through an extra-party appeal to the Indian public in his capacity as Prime Minister. It therefore seems highly significant that, on 11 August, Nehru reportedly asked to be relieved of membership in the top policy-making committees of the Congress Party.

Coming at this time, his request looks much like an effort to dissociate himself from inner party circles and to relieve himself of future blame for decisions made, or about to be made, by the rightist Congress leadership. Such a request would be consistent with Nehru's probably sincere desire to maintain world peace even though he strongly wishes India to retain Kashmir.

Three other Indian Cabinet and Congress Party members, close associates of Nehru, have resigned or expressed their desire to do so. If the moderating effect of these men, two of whom are Moslems, is removed from Indian Government and Congress Party councils, there is little to prevent the rise of anti-Pakistani and communal feeling in India which could ultimately lead to war.

Note: This article was originally issued as an Intelligence Memorandum on 14 August 1951.